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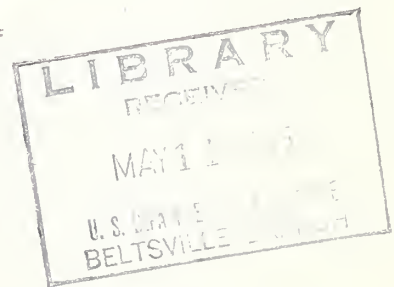
MAY 10, 1965



WORLD TRADE WEEK

WHAT'S HAPPENED TO OUR
APPLE MARKET IN EUROPE

THE U.S. POULTRY
PROMOTION IN JAPAN



FOREIGN AGRICULTURE

Including **FOREIGN CROPS AND MARKETS**

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

MAY 10, 1965

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French farmer cultivates his new apple orchard with bicycle wheel attached to his tractor to prevent barking of trees. See apple article on page 4.

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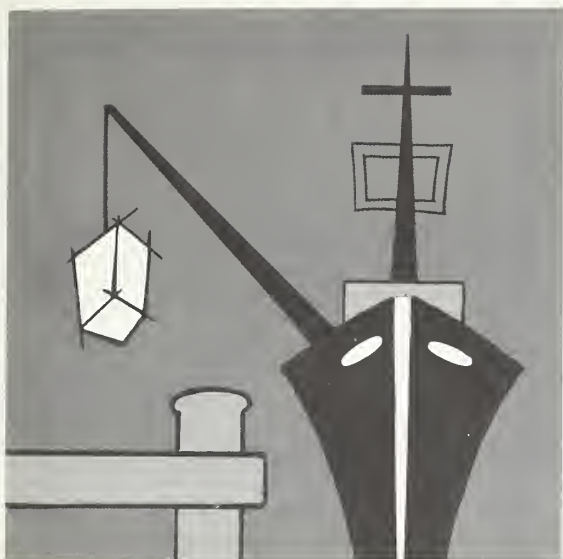
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TRADE and AID

—keys to a better world

By ORVILLE L. FREEMAN
Secretary of Agriculture

My good friend Vice President Humphrey commented recently that we are living in such a challenging period that he could think of no time in history when it was more exciting to be alive.

As we prepare to observe World Trade Week, beginning May 16, I think the Vice President's comment is particularly timely.

We are all intrigued today by the space age and its spectacular accomplishments. But I am confident that our great advances in agriculture, *and our sharing of those advances with other nations*, also will turn out to be among the really great achievements of this time.

When President Johnson sent his farm bill to the Congress a few weeks ago, the bill was accompanied by a letter in which he set forth five basic agricultural objectives. One of these key objectives calls for "effective use of our agricultural resources to promote the interest of the United States and world peace through trade and aid."

So let me say that we will continue—even more effectively tomorrow than we are doing today—to use the instruments of agricultural trade and agricultural aid in building a better world. We have learned much and we have accomplished much in trade and aid in these recent years. We have laid a solid foundation on which to build.

American agriculture, through government programs and through the private efforts that go hand in hand, is doing far more to sell its products to, and share its rich experiences with, the people of other countries than any other nation has ever attempted or even dreamed of before.

And this is only a good beginning. We will do even more.

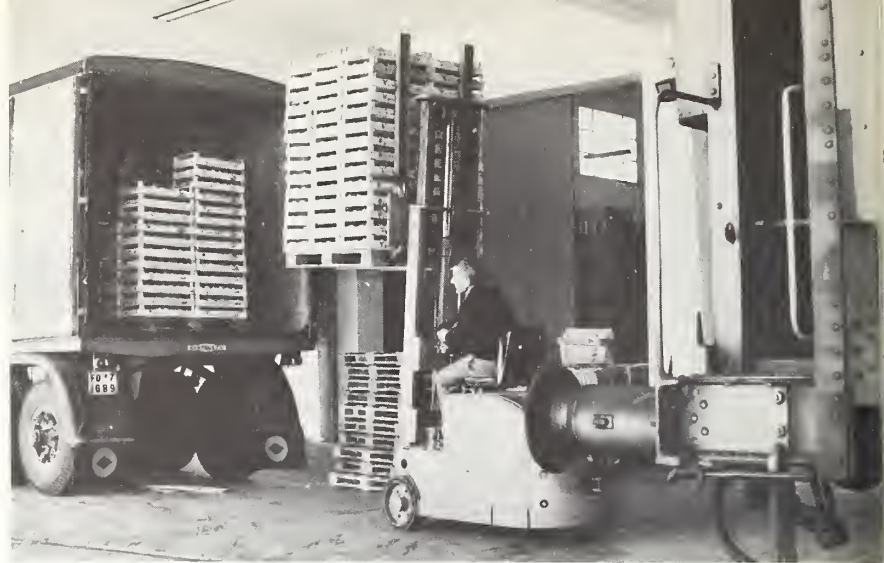
As we carry out the trade and aid responsibilities which the President has placed upon us, I see four particular areas to which we must give particular thought and effort.

One is foreign markets for our farm products. We must continue to expand markets that return dollars, help our country's balance of payments, strengthen farm prices and income, and provide important outlets for our abundant production.

Another is world leadership in lowering barriers to international trade. We must gain and maintain access to foreign markets for our own farm products. We insist that the Kennedy Round of trade negotiations now underway retain its basic objective of liberalizing and expanding world trade in all products, agricultural as well as industrial.

Another area is technical assistance and food aid. Here we must share our agricultural skills and supplies with the people of less developed countries. We must help them help themselves, so that increasingly they can be well-fed and self-reliant, can buy and sell actively in world markets, and can function as full partners in the free world.

Finally, I would point to the great challenges of tomorrow, of the year 1975, of the year 2000. We may not know the full shape of these challenges but we do know their general dimensions—and they are huge. As we cope with our difficult problems today, we must keep our eyes and minds open to the challenges of even greater magnitude that lie ahead.



Left, Golden Delicious orchard in Italy's Po Valley. Above, apples are shipped from farmer's cooperative packing plant in Ferrara, Italy. (Photos courtesy of Federazione Italiana del Consorzi Agrari.)

What's Happened to Our Apple Market in Europe—and Why

All over Europe new orchards have been planted and the apple industry is booming but there's still a market for quality fruit from the U.S.

By GILBERT E. SINDELAR
Fruit and Vegetable Division
Foreign Agricultural Service

The United States, prior to World War II, was the world's largest exporter of fresh apples. In the 1930's, we moved, on the average, about 10 million bushels annually into export. Western Europe was then, by far, our major market.

This commanding position is no longer ours. Instead of first place, we now find ourselves in about sixth position in the ranking order of world apple exporters. Instead of an average annual volume of 10 million bushels, our total export movement in recent years has averaged a little over 3.5 million bushels. Instead of an 8.5-million bushel market in Western Europe, we have been limited to an average of only about 2 million bushels.

What has happened—why this decrease?

The answer traces back to the period immediately following World War II. War had crippled the exporting industries of most European nations, seriously limiting their ability to earn dollars with which to pay for needed imports. This prompted, in some cases, the complete prohibition of imports, including apples. Today, most of Europe is enjoying a high level of economic well-being, but despite this, the opportunities for furthering U. S. trade in apples to anywhere near prewar levels have been dimmed by the rapidly increasing self-sufficiency of the European market.

With only a very few exceptions, the apple industry in Western Europe has expanded greatly, and this growth has been largely a postwar development accomplished under the veil of protectionism. Although it is recognized that the

dollar-exchange shortages are no longer a valid argument for the maintenance of trade barriers, political pressures from the home front have fostered a continuation of restrictions. The frontiers of many European countries still remain closed to imports, either wholly or partially, until the marketing of locally produced fruit has passed its peak.

Italy now Europe's leading producer

Within a very short period of years, Italy has become Europe's leading apple producer. Before the war, this country's output averaged only about 13 million bushels a year. By the early 1950's, the average had risen to about 36 million bushels, and one decade later, in 1964, production reached a new high of 108 million bushels.

Historically, apples of high quality were grown for many years in the Adige Valley of northern Italy. The geographic character of this valley, however, placed a limitation on further expansion, so attention turned to the south, to the Po Valley, where most of the postwar expansion in Italy's production has taken place. The Po Valley now produces more apples than the whole of Italy did in 1940.

Although at least some 150 commercial varieties are known to be produced in Italy, nine American-type varieties were important in the postwar plantings. The nine varieties—which include four different sports of the Red Delicious family, the Golden Delicious, Rome Beauty, Jonathan, Winesap, and the Gravenstein—together accounted for 41 percent of the Italian crop in 1963. The Stark Delicious was the leading variety, representing about

11 percent of total apple production that year.

Planting activity now appears to have subsided in Italy, and interest has turned to other fruits, primarily pears and peaches. Further plantings are likely to be limited to replacement of those varieties which have not fared well in European markets, particularly the Italian variety, the Abbondanza. The replacements have been largely Stark Delicious and Golden Delicious.

Spectacular rise in France

Ten years ago, France produced a dessert apple crop in the neighborhood of 20 million bushels. Today, the French crop is in the vicinity of 45 million bushels, and within a few years, output is expected to exceed 60 million bushels. Should this happen, France will most likely change from a net importer to a net exporter of apples. Prior to the war, France provided a million-box market for U.S. apples; today, it takes virtually nothing.

In contrast to Italy, the new plantings in France are more recent ones, having been started in the mid-1950's, many of them by Europeans who migrated to France from the former French possessions in North Africa. The desire for quick returns from their investment prompted the planting of dwarf trees. In consequence, the small orchards which were so characteristic of France's past have been rapidly overshadowed by the development of modern, larger-scale orchard operations. In the southern part of France, many of these newer and larger orchards range from 50 to 250 acres, and in some instances, as many as 1,600 dwarf trees have been planted per acre.

Here again, the American varieties have commanded the spotlight, perhaps even more intensively than in Italy. But in France one variety predominates: the Golden Delicious. In a span of only 5 years, this has catapulted into a position of dominating nearly one-half of the total French dessert apple crop. Of the other American varieties, the most prominent have been the Red Delicious, Starking Delicious, Richared, and the Jonathan. Combined with the Golden

Delicious, they represented an astonishing 57 percent of total French apple output in 1964.

Belgian and Dutch orchards

During the past 10 to 15 years, fruit-growing in these two countries has undergone major structural changes. Many of the old high-tree orchards have given way to modern orchards employing dwarf trees exclusively; and though usually no larger than 10 to 15 acres, many of these newer orchards, from the standpoint of cultural practices, are masterpieces of perfection.

In Belgium, the Golden Delicious has been the leading variety in the new plantings, accounting for as high as 50 percent of the total plantings in some areas. The famous Cox's Orange Pippin ranks closely behind the Golden Delicious. Although Belgium is still of minor importance on the total European production scene, the country's output by 1970 is expected to be at least 50 percent larger than its present level of 7 million to 8 million bushels.

In the Netherlands, the varietal importance of new plantings follows much the same pattern as in Belgium. In most of the principal producing areas, the Golden Delicious has again commanded the No. 1 spot, followed by the Cox Orange Pippin, James Grieve, and Stark Earliest. Also, dwarf stock is used almost exclusively.

Before the war, the Netherlands produced an average crop of 3.5 million bushels; then in the 1950's, after some 300,000 acres of new agricultural land had been reclaimed from the sea, the apple industry expanded. Last year, about 17 million bushels were harvested. However, future production is expected to be only moderately above the present level, as the gains from the new plantings are partially offset by the removal of the standard-tree orchards.

Increases in Germany and the U.K.

West Germany has had a moderate increase in new plantings over the past 10 to 15 years, and these have been confined to the more established European varieties rather than American types. Production is not expected to change

French apple growing has risen spectacularly since World War II.

Below, harvesting in new dwarf orchard. Right, apples boxed for domestic market, and orchard cultivation. Far right, Paris fruit vendor hands a Golden Delicious to an eager young customer.



significantly, here too because of the removal of the older commercial trees.

Historically, West Germany's apple production has alternated between highs and lows, and prior to 1960 when this country often ranked as Europe's leading producer, an alternating low affected the overall European crop. The subsequent production gains in Italy and France have tended to dwarf the impact of a short German crop.

The United Kingdom—our best prewar customer on the Continent—has almost tripled its production since the 1930's, rising from 10 million bushels to nearly 30 million in 1963. The general theme of postwar plantings has been, in large part, the modernization of existing orchards, with the Cox Orange Pippin—a long-time favorite with the English consumer—the most prominent variety planted. A net production gain in the neighborhood of 10 to 15 percent is expected by 1970.

Emphasis now on marketing

Thus, with production sharply increased in Western Europe and the scene set for further gains, the momentum now appears to be turning in the direction of marketing. Wherever one goes in Western Europe, one can immediately detect a keen awareness—particularly among the better growers—of the marketing task ahead. They are very aware of the competitive potential in both France and Italy. The general feeling is concern but not desperation.

French producers are already looking at the export market in Europe. Thus far, though offerings have been limited, they have been well received. Wholesalers on the London market report that the quality, appearance, and packaging of French apples have been exceptional. Italy, on the other hand, has been subject to criticism in such important markets as the United Kingdom, Belgium, and Western Germany because of a seemingly widespread disregard for standardization of quality as well as a poor selection of varieties, and packaging techniques. Italian growers and marketers—particularly in the Po Valley—are aware of this situation and are moving to correct it.

Elsewhere in Europe, one finds vigorous efforts being made to change the marketing profile for home-grown fruit. In southwest England, for example, a number of large apple growers have banded together for the purpose of coordinating the packing and marketing of apples through a central sales agency. Prior to the formation of this group, 19 different kinds of containers were used; now the number has been reduced to one—a very attractive carton holding 30 pounds of fruit.

Housewife demands quality

Figuring in this picture, too, is the European housewife, who with more money to spend is becoming more sophisticated in her demands for high-quality produce. Retailers are capitalizing on the housewife's demands and are meeting them with more chain and self-service store operations where the emphasis is on quality and greater uniformity in grading, sizing, and packaging. And what is happening is almost an exact reprint of what has happened in the United States over the past 10 to 15 years.

Governments are also thinking along this line. For example, the Common Agricultural Policy of the European Economic Community calls for, among other things, the establishment of quality standards. Further, the basic regulation of the EEC requires that imports of apples—as well

as several other fruits—from third countries comply with the Community standards or their equivalent. Thus, from the marketing standpoint, the spotlight is on quality—from the government to the grower to the produce buyer and to the consumer.

Supply outlook unfavorable to U.S.

What does all this mean to the U.S. apple grower and to the U.S. apple exporter?

Strictly from the standpoint of the supply potential, further penetration of the West European market is likely to be exceedingly difficult. Our participation has, in most instances, been limited to the marketing period following January 1, when European supplies are approaching a seasonal low. In other words, we have been excluded, in large part, from the very desirable pre-Christmas market in Europe. But even if the respective governments of the West European countries adopt a more liberal import policy during the pre-January 1 period, our opportunities would be dampened by the abnormal availabilities of low-priced fruit on the Continent.

As for the post-January 1 market, expanded storage facilities throughout Europe suggest that marketing could extend significantly into January and February—but whether this is a possibility remains to be seen. Currently, too little is known as to probable overall storage life of fruits originating in some of the newer areas, particularly in southern France.

Another handicap to increasing our trade after January 1 is the probability of greater competition from the three major Southern Hemisphere suppliers—Australia, New Zealand, and Argentina—who are very prominent in the European scene during the mid-to-late winter months. All three of these countries have increased their production since the middle 1950's, and further gains are predicted.

Hope lies in quality fruit

So, with regard to supply availability, the outlook is certainly not encouraging. From the standpoint of quality, however, there is a ray of hope. Without question, the United States can match the best quality anywhere in the world. But here, if we are to succeed, we definitely must adopt a more rigid set of rules for fruit moving into export.

All too often in the past, too many have shipped mediocre fruit. This was once possible when our competition was at a minimum and price was the governing factor. Today, with a much higher standard of living, the European consumer's insistence on high quality has already made itself felt. Because of the inherent disadvantage we have in location, our fruit, even mediocre fruit, is likely to be relatively costlier by the time it reaches the retail shop in Europe—so why should the European housewife pay more for fruit which possesses no superior characteristics?

U.S. apple growers must discipline themselves to shipping the very best—through careful selection of varieties, particularly those that other countries do not produce or cannot produce well. And above all, the utmost attention must be paid to condition of fruit and packaging, since fruit moving into export takes much longer in time and is subject to greater abuse.

If the U.S. apple industry sets its sights on being better than its competitors, it can survive—and even prosper—in the foreign market, but if we fail, some other apple-growing country stands ready to take our place.

USDA Reports on Methods of Shipping Beef to Europe

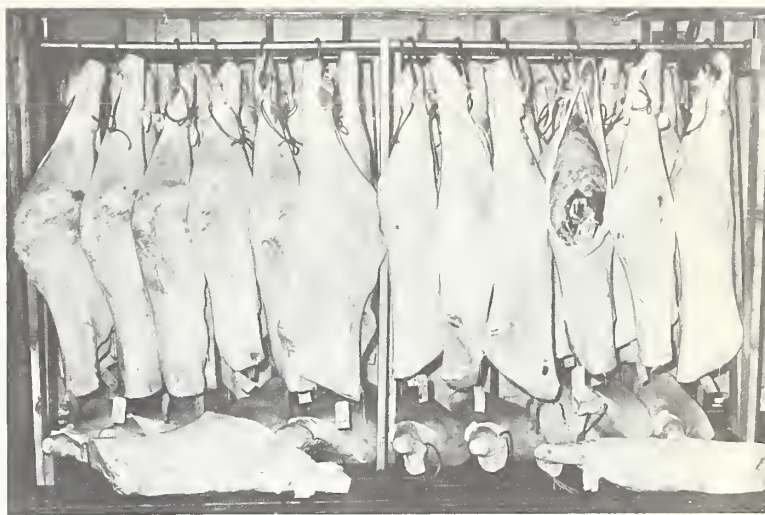
Europe's continuing demand for meat gives U.S. shippers an opportunity to build markets overseas for fresh beef—provided the beef can be delivered in excellent condition and at competitive prices. This can be done, USDA's Agricultural Research Service found in a recent preliminary survey of techniques for transporting beef to Europe.

ARS transportation and marketing specialists, the Army, and private industry cooperated in the study. Several currently used shipping methods were judged in terms of the condition in which the beef arrived, the utilization of available cargo space, and the shipping cost per pound of beef.

Of the transportation methods studied, two stood out as the most practical: refrigerated van containers and ships with refrigerated holds. Special circumstances of the test prevented definite conclusions on the containers, but the researchers recommended further study. Of the four ways tested for stowing beef in refrigerated holds, they strongly endorsed one—hanging the beef on a USDA-designed demountable rack built of wood uprights and steel pipe.

Free copies of the study, *Transporting Fresh Beef to European Markets*, ARS 52-3, are available by post card request from the Transportation Research Branch, Transportation and Facilities Research Division, Agricultural Research Service, U.S. Department of Agriculture, Federal Center Building, Hyattsville, Md., 20781.

At right, beef stacked in layers with boards between them (USDA rack in background). Stacking beef gave poor results (below, left and right). Insufficient air circulation caused quality loss, and pressure from the upper layers flattened and deformed the lower ones.



ARS specialists designed and tested several racks for stowing beef in ships' holds. For efficiency, utilization of space, and cost, they chose the one shown above.





(l-r) Japanese visitors at Tokyo Trade Center show in March 1965 try fried chicken legs; in 1962, a reception at the Nikkitsu hotel introduced U.S. poultry, cooked by chefs in the American way.

The U.S. Poultry Promotion in Japan —an example of a successful team operation

By DAVID R. STROBEL
*Assistant U.S. Agricultural Attaché
Tokyo*

The development of the market in Japan for U.S. poultry has been an excellent example of industry-government cooperation since its inception.

The program had its beginning as a result of a survey trip made in August 1961, by Joseph O. Parker, chairman of the poultry industry's International Trade Development Board, and FAS's Assistant Administrator David L. Hume, then director of the dairy and poultry division.

Part of a schedule arranged for them by the agricultural attaché's office was a visit to one of the leading department store chains in Japan. As do all large department stores in Japan, each store in this chain has a whole floor devoted to the sale of food items, which make a major contribution to the store's earnings. This particular department store chain, moreover, has its own importing arm which operates as a separate trading-firm entity.

Thus, at the inception of the new market development program was

found the key to the successful introduction of a new product to Japan: a trading firm willing to import the product (since practically all items imported into Japan come through the trading firm channel)—and an immediate sales outlet for the new commodity. Without such a sales outlet tie-in, it would have been more difficult to interest the trading firm in venturing into a new product field.

During this preliminary market survey, it was proposed to the department store officials that U.S. frozen poultry—an entirely new item to the Japanese—be introduced and promoted during the 1961 holiday season.

Initial holiday promotion

The holiday promotion plan was further developed during a followup trip to Japan by a consultant to IAPI (the Institute of American Poultry Industries, which administers the market development program). He worked with Katsunari Toyoda—a U.S.-educated Japanese national—who in November 1961 became the contract Tokyo IAPI representative (a position he still holds).



Thus began the successful market development program for the introduction of U.S. frozen poultry to Japanese consumers.

Mr. Toyoda worked through the spring of 1962 to promote poultry and in the fall instituted a series of luncheons to which he invited importers and chefs of leading restaurants and hotels to introduce them to the use and versatility of the U.S. frozen bird. Also during this time, he carried out meetings and demonstrations with nutritionists, home economists, and cooking schools (very extensive and popular in Japan) to broaden knowledge and understanding of the convenience and value of

poultry meat in the diet and menu planning.

In 1960 practically no U.S. frozen poultry had been exported to Japan. In 1961 the United States shipped 138,331 pounds and in 1962 the import of U.S. frozen poultry (including turkeys) increased to 624,826 pounds—indicating market possibilities and that a new program for a U.S. agricultural commodity had been successfully launched.

Focus on institutional users

In 1963 the IAPI program continued to carry out special seasonal and holiday promotions throughout the year; to demonstrate U.S. poultry to chefs of restaurants, hotels, and to other institutional users; and to encourage nutritionists and dietitians to carry the word for increased poultry consumption.

In addition, special effort was made to encourage large restaurants to introduce and feature fried drumsticks. Frying poultry was entirely new to Japan and it was necessary to develop a taste for fried chicken. The novelty of the drumstick assisted in carrying out the selling necessary to develop a new taste.

The servicing of the import trade continued with increasing encouragement for more and more trading firms to engage in the importation of U.S. poultry. Point-of-sale material was developed and made available to retail outlets.

Trade Center poultry show

In September 1963, a fitting culmination of this effort was the Poultry Show held at the U.S. Trade Center in Tokyo. The impetus that this show gave to the importation of U.S. poultry into Japan is clearly shown by two import figures. For the period January-October 1963, 1.3 million pounds of U.S. poultry had come to Japan—an excellent increase over the 624,826 pounds of the full previous year. Much to everyone's amazement—but satisfaction—the final figure for the year 1963 climbed to 7.3 million pounds.

The poultry promotion program for Japan had matured and was successful. During the year 1964, Mr. Toyoda continued the same type of market promotion on an expanded basis as he had previously done. With the increased importation of U.S. poultry, the Japanese Government raised the duty from 10 percent to 20 percent on April 1, 1964. There was, of course,

Highlights of Japan's Poultry Industry and Market

- The number of chickens and production of eggs continued the significant uptrend of recent years. Chickens were up 23 percent in 1964 compared to the previous year; eggs up 17 percent.
- Imports of chicks, principally egg-laying strains, in 1964 was 1,237,900, an increase of 10 percent over the previous year. The United States supplied 94 percent of the total imported.
- The first U.S.-Japan joint venture to introduce into Japan a grandparent operation for production of true broiler stock announced.
- Production of poultry meat continues to increase. The pattern of "broiler" production of recent years continues. Approximately 70 percent of the "broilers" are actually cockerels of dual-purpose birds or from crosses of non-leghorn cocks on leghorn layers to produce a heavier bird suitable for marketing as a "broiler."
- In spite of last year's increase in duty from 10 to 20 percent on fresh and frozen poultry, imports of frozen poultry increased from 3,471 metric tons in 1963 to 5,936 metric tons in 1964. The United States supplied 88.5 percent of the total imported.
- The average annual Japanese household expenditure for poultry meat in 1963 was 4.5 times greater than in 1957.
- The 1965 outlook for the import of U.S. poultry and poultry products is bright. Without further restrictions imposed by the Japanese Government and without unfair competition from other world poultry suppliers, the U.S. producer and exporter of poultry meat can probably look forward to a market in Japan of 7,000-8,000 metric tons.

no sound reason for this action to be taken. Although importations had increased rapidly, there were no stocks of domestic or imported poultry at the beginning of 1964. All domestic poultry prices were at or near record highs. However, the Japanese Government responded to pressures for protection of the domestic industry and passed the increase in the import duty.

The increased duty was an incentive, not a deterrent, to the continuation of an aggressive market development program and to the expansion of the market for U.S. poultry in Japan. During 1964, 11.5 million pounds of U.S. poultry came to Japan. Total imports for this period, from all sources, were 13 million pounds. This clearly indicated that the United States was maintaining its position as the major supplier to a new and expanding market. Such an expanding market, of course, brought considerable effort from other supplying countries. To date these efforts have not made much impact on the U.S. position.

It is interesting to note that U.S. poultry has mainly entered new marketing and distribution channels and has not entered the traditional channel for marketing domestic poultry

through poultry shops. These new channels—restaurants, hotels, and institutions—did not come about by accident, but as a result of the successful market development program carried out by IAPI in Japan.

What began as an industry-government team effort continues to be one. With such a combined effort, we believe the market in Japan will continue to expand and that for the year 1965 Japan will probably take 16-18 million pounds of U.S. poultry.

Denmark's Poultry in Japan

Danish poultry exporters reportedly are not interested in supplying the growing Japanese market for poultry parts, according to members of a Japanese poultry team just back from a survey of the Danish poultry industry.

The 25-member team—principally retailers with limited impact on Japanese poultry imports—was told the Danes preferred to export either whole broilers (at approximately 35¢ a pound c.i.f. Japan), or packaged, cut-up entire broilers. Reason given was that export of selected parts would result in a buildup of left-over parts difficult to sell at home or abroad.

U.S. Competitors Spend Millions To Get Bigger Share of World's Largest Food Market—the U.K.

Consumers in the United Kingdom last year spent almost \$15.5 billion on food. Due to limited agricultural resources in the country, with a cultivated area of only about 18.5 million acres and a population of some 54 million people, half of the country's food requirements are imported. This huge market, the largest import market in the world for food and agricultural products, is perhaps also the most competitive market.

The U.K. economy has been rising the past few years. Last year the domestic income and profits rose 8.5 percent and consumers' expenditures increased 6.5 percent, part of which was due to higher retail prices. The country is facing a serious problem on its balance of payments, which the new Labor government must solve if it is to maintain or increase its present marginal majority. However, there has been a distinct improvement in recent months. Furthermore, the economy is prosperous at present and unemployment is down to about 1.5 percent.

U.S. feed grains, cotton, and tobacco

The United States share of this huge market for food and agricultural products last year amounted to about \$450 million. The main items were raw agricultural products, such as feed grains, cotton, and tobacco. However, the list also included some 300 different items, mainly foods that were packaged, canned, frozen, or semiprocessed.

The Commonwealth countries were the main suppliers of the U.K. agricultural market and this is due largely to the fact that these countries enjoy an import-duty preference. Imports from all countries, however, are relatively free and duties are not required, or are generally considered low compared to most other countries.

The drive to get and hold a share of the British food market is keen and continuous.

Foreign suppliers of food and agricultural products to this market, as well as local producers and processors, spend millions of pounds sterling to

make their products known and to attract buyers in the small shops and supermarkets. They use every conceivable market promotion medium to attract British consumers.

Hundreds of public relations firms vie with each other in developing new schemes for bringing before the public eye the products they represent.

Various promotional techniques

Large sums are spent on advertising in the press and on television. Food shows and exhibitions are other very popular media of promotion in this country. Consumers in Britain consider food shows as an exciting recreation, as well as an opportunity to learn about new foods by watching cooking demonstrations and sampling and buying the products over the counters.

Countries competing for the British food market display their products at many of the exhibitions held in the United Kingdom. For example, at the London Ideal Home Show held recently and attended by 1¼ million people, the international section attracted food exhibits from Canada, France, South Africa, India, Jamaica, and the United States. Organizations such as the New Zealand Dairy Production and Marketing Board and the Danish Blue Cheese Produce Association were among the more than 50 exhibitors in the special food section.

Dutch dairy campaign

Special campaigns are another promotional activity used by many countries to push their products. For example, the Dutch Dairy Bureau has just launched what is reported to be its biggest television campaign on cheese and butter in three areas in the United Kingdom. Spots will appear twice weekly on through until fall. The television advertising, it is estimated, will reach 12.5 million people.

Before launching the television push, some 20,000 leaflets giving details of the drive were sent to retailers and importers to inform them about the program.

The Danes ran a "Danish Bacon Mystery Shopper" promotion during the early part of 1965 that was reported to have cost more than \$400,-

000 for the 3-month activity. The goal was a minimum of 30,000 shops taking part with a special basket display of products along with show cards, consumer leaflets, window bills, and the like. The Mystery Shopper visited stores and awarded baskets to consumers inquiring about Danish bacon.

Australian promotion

An Australian company has mounted a billboard drive in Scotland. It is tied into the overall "Sunshine Foods From Australia" poster campaign being launched by the Australians in the United Kingdom. A 48-sheet, full-color billboard will be seen in 60 locations in the Glasgow and Edinburgh areas. Smaller four-sheet posters will be appearing on virtually every station of the underground train service in Glasgow. The same company exhibited in the Scottish Food Fair in Aberdeen during early April.

More than \$2.8 million will be spent this year in promoting and publicizing Australian canned fruits in Britain. The Australian High Commissioner said at a recent Australian House trade reception, "Nothing on this scale has ever been done before in the U.K. canned fruit trade." The money would be spent on joint activities with trade customers and on press and poster advertising, he stated.

Australia now holds nearly 40 percent of the British market for canned fruit. About 6 years ago, they had 24 percent of the canned fruit trade.

France, New Zealand, Israel

The French are coming along soon with a promotion on cheese. The New Zealanders keep plugging their lamb, butter, and cheese. And Israel keeps up a steady push on Jaffa fruit.

The size and nature of these and other promotions vary a great deal. But the total effect is rather high. In television and press advertising alone, a half dozen of the leading countries exporting food products to the United Kingdom probably spend \$4 million to \$5 million annually.

In addition, countries like Australia and Canada maintain sizable trading facilities in London to promote trade. Spain has a smaller office. Italy has a food shop; so does Denmark. Germany has a food shop and restaurant. And Norway recently opened a Food Center—including a restaurant and shop, along with facilities for trade receptions, private parties, and demonstrations.

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France May Harvest Record Wheat Crop

France expects to harvest an unusually large wheat crop in 1965. Winter wheat acreage is up 2.8 percent from 1964 and exceeds the previous record of 1962. Continuation of the so far generally satisfactory weather could therefore result in a crop in the neighborhood of, or even above, the record production of 1962.

The official estimate of wheat acreage planted as of April 1 is 11,035,000 acres, compared with 10,731,000 on the comparable date in 1964 and 10,746,000 as of April 1, 1962. This estimate usually is of winter wheat, with a fraction of spring wheat included. The final estimate for 1964 acreage, including both winter and spring wheat, was 10,932,000 acres.

Crop conditions have been reported as equal to or slightly better than those during the corresponding period in 1964, when record yields per acre were obtained.

FRANCE'S WHEAT ACREAGE, YIELD PER ACRE, AND PRODUCTION

Year	Acreage	Yield per acre	Production	
	1,000 acres	Bushels	Million bushels	1,000 metric tons
Average:				
1950-54	10,916	28.9	315.2	8,578
1955-59	10,432	34.3	358.2	9,749
1960	10,769	37.6	405.0	11,022
1961	9,876	35.6	351.8	9,574
1962	11,292	45.1	509.0	13,854
1963	9,511	39.6	376.6	10,249
1964	10,932	45.8	500.4	13,618

Compiled from official sources.

In order to free storage space for the new bumper harvest beginning next June, the government on April 9 reduced the target of its "official" stock carryover for July 1 to 800,000 metric tons from the previous target of 1,200,000. "Official" stocks are only those stocks supervised by the National Cereals Office and exclude commercial stocks in mills, on farms, and others in the domestic market.

Thus, an additional 400,000 tons will probably be freed for export before July 1. This brings export availabilities during the 1964-65 (July-June) marketing year to even a higher level than the already increased exports this year, particularly of the second and third quarters.

French wheat exports during the first half of 1964-65 (July-December) totaled approximately 1,860,000 metric tons. About 42 percent—789,000 tons—was exported to Communist countries, except the USSR. Nearly a fourth of the total went to Eastern Europe, and 19 percent, to Mainland China. (Later, in January-March, the USSR also entered the market, taking about 400,000 tons. However, most of this probably went to the satellite countries.)

A little over 10 percent—200,000 tons—was exported to countries of the EEC during the first half of 1964-65. Of these, 123,000 tons were shipped to Italy, 57,000 to West Germany, 15,000 to Belgium-Luxembourg, and nearly 5,000 to the Netherlands. The United Kingdom, Switzerland, Portugal, and Norway were other important European markets, and comparatively large quantities were shipped to Morocco, Algeria, Senegal, Tunisia, and Japan.

Venezuela's Black Bean Crop Still Below Average

Black bean production in Venezuela is expected to total 26,000 tons in 1965 compared with 24,000 last year and an average of 45,000 in 1958-60. Black beans constitute about two-thirds of Venezuela's total bean production.

In an attempt to expand the acreage of black beans, the Ministry of Agriculture is enlarging the amount of credit for bean production; part of the loan is in the form of certified bean seed. This is aimed at encouraging the use of certified seed, for which most growers are reluctant to pay the extra price.

The Ministry is discussing an authorization to import 10,600 tons of beans in 1965, and indications are that it might go to 14,000 tons. This compares with the 15,788 tons of beans imported in calendar 1963—latest year for which Venezuelan data are available—and the 1,540-ton average for 1955-59.

In 1963, the United States supplied 88 percent, or 13,900 tons, of Venezuela's imports. In the marketing year ending August 31, 1964, the United States exported 10,175 tons to Venezuela.

There is some indication that the government may drop the old 6-to-1 contingency arrangement, under which importers had to buy one unit of domestic black beans for each six they imported. The Ministry may, instead, estimate domestic production and consumption each year and license imports for the difference. Under this new arrangement, the local industry would then have to guarantee purchase of the entire domestic crop.

Japan, Mainland China Agree on Soybean Prices

Japanese importers and Communist Chinese exporters have reached an agreement on the price to be paid for the June-July shipments of soybeans to Japan under the Liao-Takasaki (L-T) arrangement.

The quantity involved is 50,000 metric tons (1.8 mil. bu.) out of a total for calendar 1965 of 280,000 tons (10.3 mil. bu.) under the L-T arrangement. The price agreed upon is £42.5.0 (US\$118.30) per ton f.o.b. China port.

The price agreed upon for the April-May shipments was £41.19.0 (US\$117.46). See *Foreign Agriculture*, April 12.

Spanish Government Encourages Sunflowerseed Production

Spain—a large net importer of edible vegetable oils—is encouraging production of sunflowerseed, according to the Spanish official bulletin of April 7, 1965. Increased domestic production of oilseed crops, particularly sunflowerseed, would reduce the need for imports of edible vegetable oils, as well as supplement the income of olive growers if these crops were interplanted with olive trees. Scarcity of labor in olive-producing areas would not be greatly intensified since cultivation and harvesting of sunflowerseed can be mechanized.

The Ministry of Agriculture has established that sunflowerseed will continue to be freely priced and traded; the National Wheat Service will purchase sunflowerseed of regular commercial grade from producers at 860 pesetas per 100 kilograms (6.5 U.S. cents per lb.); and that seeds

should have at least 41-percent oil, no more than 8-percent moisture, and 2-percent foreign material. Deviations from these standards will be discounted.

Further instructions will be issued by the Office of the Director General of the Department of Agriculture and the National Wheat Service.

Suez Canal Shipments Down in February

Northbound movement of oil-bearing materials through the Suez Canal in February were down sharply both from those of January (136,410 metric tons) and from those of February 1964.

Shipments through February of the U.S. marketing year beginning October 1, 1964, were 6 percent below those of the previous marketing year. Declines were registered in all categories except soybeans and miscellaneous oil-bearing materials.

Soybean shipments from Mainland China increased to 923,000 bushels in February from 212,000 in January. Shipments during October-February 1964-65 totaled 2.7 million bushels compared with 1.3 million in the first 5 months of 1963-64—an increase of 1.5 million.

NORTHBOUND SHIPMENTS OF OIL-BEARING MATERIALS THROUGH THE SUEZ CANAL

Item	February		October-February	
	1964	1965	1963-64	1964-65
	<i>Metric tons</i>	<i>Metric tons</i>	<i>Metric tons</i>	<i>Metric tons</i>
Soybeans ¹ -----	16,048	25,108	34,537	74,518
Copra -----	93,005	37,282	372,468	346,696
Peanuts -----	34,532	18,983	96,742	75,538
Cottonseed -----	7,479	8,409	60,700	53,935
Flaxseed ² -----	6,180	1,698	16,886	10,643
Castorbeans -----	3,149	2,222	39,931	16,178
Palm kernels -----	1,952	2,027	23,666	12,590
Others -----	11,361	12,526	46,315	61,333
Total -----	173,706	108,255	691,245	651,431

¹ 1 metric ton of soybeans equals 36.7 bu. ² 1 metric ton of flaxseed equals 39.4 bu.

Suez Canal Authority, Cairo, Egypt.

NORTHBOUND SHIPMENTS OF SOYBEANS THROUGH THE SUEZ CANAL

Month and quarter	Year beginning October 1				
	1960	1961	1962	1963	1964
	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>	<i>1,000 bushels</i>
January -----	3,711	2,907	622	661	212
February -----	1,396	548	451	590	923
March -----	955	627	255	233	---
October-December -----	919	919	12	19	1,604
January-March -----	6,062	4,082	1,328	1,484	---
April-June -----	1,213	239	573	706	---
July-September -----	2,756	327	1,585	4,106	---
October-September ---	10,950	5,567	3,498	6,315	---

Totals computed from unrounded numbers.
Suez Canal Authority, Cairo, Egypt.

Pakistan's Rape and Mustard Production Down

Pakistan's 1964-65 rapeseed and mustardseed production is unofficially estimated at 291,200 short tons—9 percent below that of a year ago and 27 percent below the large crop of 1962-63. The decline from 1963-64 reflects reduced yields owing to unfavorable weather.

Because of a shortage of mustard oil—the preferred cooking oil in East Pakistan—the government in 1964-65 imported substantial amounts of mustardseed for crushing.

Strong demand and high prices for edible oils could

in the future bring about increased production of oilseeds. Reportedly, economic planners in Pakistan expect that farmers will shift the cropping pattern toward higher income crops such as oilseeds.

PAKISTAN'S RAPESEED ACREAGE, YIELDS PER ACRE, AND PRODUCTION

Year	Harvested acreage	Yield	Production
	<i>1,000 acres</i>	<i>Pounds per acre</i>	<i>1,000 short tons</i>
1960-61 -----	1,791	392	351.1
1961-62 -----	1,704	401	341.6
1962-63 -----	1,798	445	399.8
1963-64 ¹ -----	1,673	398	332.6
1964-65 ¹ -----	1,664	² 350	² 291.2

¹ Preliminary. ² Unofficial estimate.

Compiled from official and other sources.

Chile's Fishmeal and Oil Exports

Chile's 1964 exports of fishmeal increased by more than two-thirds from the 1963 volume. Shipments of fish oil, however, increased less because the condition, size, and oil yield of the fish kept the production of oil relative to meal down.

CHILE'S EXPORTS OF FISHMEAL AND OIL

Country of destination	1962	1963	1964
Fishmeal:	<i>Metric tons</i>	<i>Metric tons</i>	<i>Metric tons</i>
Belgium -----	10,478	11,352	23,099
Germany, West -----	10,191	10,026	41,186
Netherlands -----	15,369	8,655	38,118
France -----	4,025	1,850	7,855
Italy -----	600	2,050	3,500
Poland -----	2,500	2,000	2,000
Spain -----	4,000	8,600	1,300
United Kingdom -----	5,974	6,509	14,654
United States -----	11,771	19,757	13,103
Venezuela -----	5,962	10,363	370
Others -----	1,300	5,157	1,265
Total -----	72,170	86,319	146,450
Fish oil:			
Germany, West -----	2,256	1,776	181
Netherlands -----	8,035	9,625	12,755
Others -----	618	142	822
Total -----	10,909	11,543	13,710

Superintendence of Customs.

Despite the prolonged off season for anchovetta, from June through November, Chile's production of fishmeal increased 58 percent in 1964 to an estimated 174,300 metric tons. Only a limited number of anchovetta reappeared off the northern coast in December.

The shortage of the anchovetta resource offshore (within reach of the fishing fleet) has continued into 1965. Provisional figures during the first 2 months of 1965 show an anchovetta catch of 151,000 tons—substantially below the 308,000-ton level of January-February 1964.

Thus far the supply of anchovetta has been inadequate to maintain normal operations of plant capacity. Reportedly, a catch level of 25,000 tons per week is necessary to keep the reduction plants in Iquique alone operating at an economic level.

Nigeria's Palm Product Purchases

The Regional Marketing Boards of the Federation of Nigeria as of March 25 had purchased 77,700 long tons of palm kernels and 39,100 tons of palm oil (all grades). Purchases through March 26, 1964, totaled 89,600 tons for palm kernels and 40,200 for palm oil.

Swedish Oilseed Production To Be Lower

Sweden's 1965 oilseed production (virtually all rapeseed and mustardseed), reflecting expectations of a smaller yield from spring seedings, is estimated to be down 11 percent from 1964 despite increased acreage. Production in 1964 was the largest since 1957, owing to relatively large seedlings as well as high yields.

SWEDISH OILSEED PRODUCTION AND HARVESTED AREA

Item and year	Unit	Rape-seed	Mustard-seed ¹	Flax-seed	Total
Harvested area:					
1963 -----	1,000 acres	144.1	54.4	1.0	199.5
1964 ² ----	1,000 acres	204.4	56.6	.7	261.7
1965 ³ ----	1,000 acres	212.5	61.7	1.0	275.2
Production:					
1963 -----	1,000 short tons	103.3	41.9	.6	145.8
1964 ² ----	1,000 short tons	170.9	42.9	.4	214.2
1965 ³ ----	1,000 short tons	160.9	30.3	.4	191.6

¹ White variety only. ² Preliminary. ³ Forecast.
Compiled from official and other sources.

Exports of rapeseed from Sweden rose sharply in 1964 to the highest volume since 1958, reflecting the large out-turn of last year. Italy continued to be the major market, accounting for nearly three-fourths of the total. Domestic oilseed crushings increased only slightly, while imports declined.

SWEDISH RAPESEED EXPORTS

Country of destination	1960	1961	1962	1963 ¹	1964 ¹
	Short tons	Short tons	Short tons	Short tons	Short tons
Belgium-Luxembourg -----	1,536	441	53	---	429
France -----	5,096	1,610	5,579	7,079	3,460
Germany, West -----	---	---	---	6,990	6,526
Italy -----	---	3,326	6,836	19,192	38,809
Norway -----	---	---	669	11	12
United Kingdom -----	---	---	---	619	2,890
Poland -----	---	---	---	---	1,511
Algeria -----	20,873	2,714	3,909	---	---
Others -----	10	11	5	11	14
Total -----	27,515	8,106	17,051	33,902	53,651

¹ Preliminary.
Compiled from official and other sources.

SWEDISH RAPESEED OIL EXPORTS

Country of destination	1960	1961	1962	1963 ¹	1964 ¹
	Short tons	Short tons	Short tons	Short tons	Short tons
Canada -----	---	800	42	91	---
United States -----	1,789	1,787	1,736	1,465	105
Austria -----	---	133	2,134	169	7
Denmark -----	130	104	21	682	186
Germany, West -----	701	1,734	3,396	2,458	2,471
Italy -----	5,403	---	896	33	28
Netherlands -----	---	---	5,064	7,345	3,198
Norway -----	50	57	57	65	60
Switzerland -----	---	---	22	110	288
Algeria -----	---	---	---	1,102	---
Morocco -----	---	---	4,412	13	---
Tunisia -----	---	---	880	538	---
Cyprus -----	280	437	1,255	996	2
Israel -----	---	---	---	---	1,601
Australia -----	97	96	188	508	1,170
Others -----	13	3	210	900	648
Total -----	8,463	5,151	20,313	16,475	9,764

¹ Preliminary.
Compiled from official and other sources.

Owing to increased exports of seed as such, as well as larger domestic utilization, rapeseed oil exports in 1964 declined significantly from the previous year. Most of the total moved to the Netherlands and West Germany. Sweden, which in recent years has been the world's major

exporter of rapeseed oil, in 1964 ranked third as a world exporter.

Italy's Net Imports of Olive Oil Decline

Italian net imports of edible olive oil in 1964, at 47,492 short tons, were markedly below those in 1963 and the lowest since 1959. The drastic decline was a result of the country's record 1963 olive crop—593,000 tons compared with 342,000 in the previous marketing year, 1962-63.

Gross imports, at nearly 63,000 tons, were largely from Spain and Tunisia, which accounted for 80 percent and 13 percent of the total, respectively. Gross exports were 15,404 tons—the largest volume of recent years. The United States took most of the exports; West Germany was second.

ITALY'S OLIVE OIL IMPORTS AND EXPORTS ¹

Country of origin and destination	1961	1962	1963 ²	1964 ²
	Short tons	Short tons	Short tons	Short tons
IMPORTS				
France -----	1,419	1,615	1,916	710
Greece -----	506	2,059	3,294	11
Portugal -----	100	11,096	746	220
Spain -----	92,900	44,788	61,962	50,437
Lebanon -----	---	171	3,322	---
Turkey -----	---	22,632	21,180	1,584
Algeria -----	55	3,115	3,482	---
Libya -----	937	2,361	---	---
Morocco -----	---	22	9,071	1,229
Tunisia -----	8,171	27,161	21,376	8,118
Argentina -----	4,353	7,784	4,927	265
Others -----	399	907	10,228	352
Total imports -----	108,840	123,711	141,504	62,926
EXPORTS				
United States -----	7,399	7,738	5,479	9,744
Germany, West -----	2,127	1,557	684	1,073
Others -----	5,207	4,682	3,267	4,617
Total exports -----	14,733	13,977	9,430	15,434
Net imports -----	94,107	109,734	132,074	47,492

¹ Excludes foots oil. ² Preliminary.
Compiled from official and other sources.

Indonesia's Exports of Copra and Palm Products

Registered exports of copra from Indonesia during the first 10 months of 1964 totaled 138,815 long tons compared with 104,565 in January-October 1963. Exports of palm oil and palm kernels during the same period totaled 94,444 and 22,989 short tons, respectively, against 97,656 and 26,807.

Fiji's Copra Output

Copra production in Fiji during 1964 was estimated at 40,803 long tons, of which domestic crushers bought 34,065 tons. Of the remaining 6,738 tons, 5,067 were exported to Japan and 1,671 to South America.

Nigeria's Peanut Purchases as of March 25

Peanut purchases from Nigeria's 1964 peanut crop totaled 666,700 long tons, shelled basis, as of March 25, 14 percent less than purchases of 776,151 tons as of the same time last year, according to declarations of the licensed buying agents for the Northern Region Marketing Board.

Deliveries to the crushers as of March 25 were 99,965 tons against 80,159 on the comparable 1964 date.

Dutch Canned Milk Exports Hit Record

Dutch exports of canned milk in 1964, at a record 771 million pounds, were up 7 percent from 1963.

As in 1963, more than half of total shipments went to countries in Asia. Thailand continued to be the principal market, taking 101 million pounds—5 million pounds below the 1963 level. Other Asiatic countries taking increased shipments over 1963 were the Philippine Republic 91 million pounds compared with 70 million, Malaysia 62 million (40 million), Hong Kong 45 million (42 million), Burma 38 million (29 million), and India 9 million (2 million).

Sales to African countries declined by 3 percent to 145 million pounds. The heaviest purchasers were Nigeria and Ghana, which took 32 million pounds and 18 million pounds, respectively. Other purchasers were Morocco 14 million pounds, Libya 10 million, Tanganyika 9 million, and Senegal and Algeria 5 million each.

Shipments to European countries rose 12 million pounds to 112 million, of which 40 million went to Greece. France became an important market with the purchase of 21 million pounds compared with only 2 million in 1963. Sales to Belgium and West Germany were up slightly; those to most other important markets in this area were down.

Among countries in the Western Hemisphere to which larger shipments were made in 1964 were Cuba, 19 million pounds compared with 4 million last year, and Peru, 18 million (15 million).

Canadian Cotton Consumption Up

Canadian cotton consumption, based on the number of bales opened by mills, totaled 44,912 bales (480 lb. net) in March—compared with 42,010 in February and 36,871 in March 1964. Consumption during the first 8 months (August-March) of the current season totaled 317,016 bales, 6 percent above the 299,019 bales opened in the same period of 1963-64.

Central Africa's Cotton Production Near Record

Cotton production in the current (1964-65) season in the Republic of Chad and the Central African Republic is estimated at 160,000 and 45,000 bales, respectively. This year's crop for these two countries (formerly called French Equatorial Africa) is slightly below the record 210,000 bales produced in 1963-64 but 19 percent above average production of 172,000 bales in the past five seasons.

Planted area in Chad for the current crop, at 741,000 acres, is up 20,000 from a year ago. Despite the larger acreage, late plantings in major producing areas caused the crop to be poorly timed with the prevailing rainfall. Planted area in the Central African Republic was 370,000 acres this season, the same as in 1963-64.

The most significant development of recent years in the Central African Republic's cotton industry was the formation of the Union Cotonnière Centrafricaine (UCCA) in January of this year. This newly formed stock company represents three major privately owned textile companies and two semipublic French companies. The UCCA reportedly will import trucks from Europe in the near future in an effort to speed movement of cotton from collection points to the gins and mills.

The CAR Government also signed an agreement in January with French cotton interests which calls for construction of a \$10-million textile complex at Bangui, to

be completed by 1967. The complex will reportedly have spinning and weaving capacity for the equivalent of 12,000 bales of cotton annually. Currently, raw cotton consumption is estimated at 3,000 bales annually for the two countries combined. France guarantees the export price and imports most of the CAR's cotton production.

Chad generally exports about two-thirds of its cotton to France, but in calendar 1964 only 56 percent of the crop went to that country.

Australian Sultana Prices

The Australian Dried Fruits Control Board has approved the following minimum 1965-crop sultana export prices, f.o.b. Australian ports (for New Zealand, f.o.b. Melbourne):

Country or continent of destination	Grade	
	5 Crown	6 Crown
	<i>Dol. per short ton</i>	<i>Dol. per short ton</i>
New Zealand -----	¹ 315.00	320.00
Eastern Canada and Newfoundland -----	312.50	317.50
Western Canada and Prairie Provinces --	307.50	312.50
Central and South America, Africa and Middle East (incl. South Africa), Asia, and Pacific countries -----	317.50	322.50

¹For 5 Crown Smalls grade, \$5 extra.

Sultanas shipped to New Zealand carry a fumigation allowance to the buyer of 1 percent of the f.o.b. value.

For the Canadian market, certificates of authority to export can be issued on a minimum sale of 10 tons, but will not be issued for any order made on consignment or not accompanied by an approved bank letter of credit. Furthermore, certificates will be issued only for fruit sold at not less than the minimum announced prices, except in the case of cash discounts which are passed on by the broker to the buyer.

Dutch Cigarette Sales Drop Sharply

Cigarette sales in the Netherlands last year, at 14,072 million pieces, were 13.7 percent below the 16,297 million pieces sold in 1963. Sales of cigars dropped from 1,223 million pieces in 1963 to 1,142 million. However, cigarillo sales rose to 479 million pieces from 389 million, and combined sales of the other products, to 21.9 million pounds from 20.9 million.

Canadian Leaf Tobacco Usings Up Slightly

Usings of leaf tobacco by Canadian manufacturers during 1964 totaled 133.0 million pounds—up 2.8 percent from the 1963 level of 129.3 million. Larger usings of flue-cured, cigar leaf, and dark air- and fire-cured types more than offset declines in other types.

Usings of flue-cured tobaccos, at 117.4 million pounds, were 2.3 percent greater than the 114.7 million pounds used in 1963. Cigar leaf usings rose to 10.5 million pounds from 8.8 million in the previous year. Usings of dark air- and fire-cured types were up 11.5 percent, whereas those of burley were down 15.1 percent.

Stocks of unmanufactured tobaccos (domestic and imported types) on December 31, 1964, totaled 212.0 million pounds, down slightly from the 214.8 million held on the same date a year ago. Stocks of flue-cured tobaccos, at 191.2 million pounds, were slightly above the December

31, 1963, level of 189.7 million but 5.6 million below the 196.8 million held on September 30, 1964. Stocks of flue-cured tobaccos, as of December 31, 1964, were equivalent to 19.5 months' requirements, compared with 19.8 months a year ago.

Swiss Tobacco Imports Up a Little

Swiss imports of unmanufactured tobacco in 1964, at 39.6 million pounds, were 4 percent larger than the 38.2 million imported in 1963. Larger imports from the United States and Indonesia more than offset drops in purchases from other major suppliers.

The United States, supplying 18.4 million pounds, accounted for 47 percent of the Swiss market in 1964, compared with 46 percent in 1963.

Average value per pound, c.i.f. Swiss border, for tobacco from major suppliers in 1964, in terms of U.S. equivalents, were the United States 90 cents, Brazil 42, Greece 97, Turkey 78, Italy 79, and Indonesia 100.

SWITZERLAND'S DUTY-PAID IMPORTS OF TOBACCO

Origin	1962	1963	1964
	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>
United States -----	15,955	17,699	18,448
Brazil -----	3,810	3,627	3,605
Greece -----	3,388	3,563	3,419
Turkey -----	2,306	2,496	2,454
Italy -----	2,194	2,141	1,881
Indonesia -----	1,664	1,574	1,722
Others -----	6,177	7,104	8,035
Total -----	35,494	38,204	39,564

Japan's Tobacco Imports Set Record

Japan imported a record quantity of 66.3 million pounds of unmanufactured tobacco in 1964—double the 32.6 million imported in the previous year. Most of the imports consisted of flue-cured tobaccos from the United States, Rhodesia, India, Thailand, and Canada.

The United States was the principal source last year, supplying 33.1 million pounds—or half the total. This was a considerable increase over the 21.5 million purchased from the United States in 1963, but the U.S. share of total imports was well below that of previous years. Rhodesia, India, and Thailand accounted for a much larger share of the import market than before.

Greece and Turkey supplied a total of 5.7 million pounds of oriental tobacco to Japan in 1964.

Average import prices in 1964 for flue-cured tobaccos from supplying countries, in terms of U.S. cents per pound, were the United States 95, Rhodesia 61, India 34, Thailand 39, and Canada 69.

JAPAN'S IMPORTS OF UNMANUFACTURED TOBACCO

Origin	1962	1963	1964		Av. price of flue-cured
			Total	Flue-cured	
	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>1,000 pounds</i>	<i>Cents per pound</i>
United States ---	25,562	21,532	33,095	33,095	95
Rhodesia -----	7,981	1,667	11,572	11,572	61
India -----	1,534	3,366	7,915	7,915	34
Thailand -----	208	661	6,431	6,431	39
Greece -----	2,079	3,698	3,591	---	---
Turkey -----	1,726	1,664	2,101	---	---
Canada -----	---	---	1,470	1,470	69
Others -----	161	---	165	---	---
Total or average	39,251	32,588	66,340	60,483	74

Japan Monopoly Corporation.

Rhodesian Flue-cured Auction Prices

Auction sales of flue-cured tobacco on the Salisbury, Rhodesia, market averaged the equivalent of 39.9 U.S. cents per pound for the seventh week of sales. Sales for that week, which ended April 21, totaled 5.6 million pounds.

Season sales through the seventh week totaled 47.9 million pounds at an average of 39 cents, compared with 55.7 million pounds at an average of 34.2 cents last year.

Sweden's Cigarette Sales Drop Slightly

Cigarette sales in Sweden in 1964, at 7,810 million pieces, were almost 1 percent below the 7,860 million sold in the previous year. (Both years' figures include nearly 700 million imported cigarettes.)

Factory output of cigarettes in Sweden in 1964 totaled 7,428 million pieces, slightly more than in 1963. The American-blended type continued to dominate, accounting for around 87 percent of the total number manufactured. Modified oriental brands made up most of the remainder. The share of filter-tipped cigarettes increased from 19 percent in 1963 to 28 percent in 1964.

Output of other tobacco products in 1964 (with 1963 data in parentheses) was as follows: Cigars and cigarillos 265 million pieces (187 million), smoking tobacco 2.9 million pounds (2.8 million), snuff 5.6 million pounds (5.5 million), and chewing tobacco 44,000 pounds (46,000).

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Pakistan Plans Wider Fertilizer Use, Also More Factories

The use of chemical fertilizers has long been recognized by agricultural planners throughout the world as one of the most important means of increasing crop yields and thus raising the income of farmers. This is certainly true in Pakistan, where the Central Government as well as both Provincial Governments—with the assistance of the U.S. Aid Mission—have been extremely active in encouraging fertilizer use.

The country's second Five-Year Plan, which is now drawing to a close, envisaged a 30-percent growth rate in agriculture, about one-fifth of which was to come from more widespread use of chemical fertilizers. The third Five-Year Plan goes still further: The rate of planned growth in the country's agriculture is slated to double that of the present plan, with fertilizer use tripled. As the plan also foresees greater availability of water—from tube-wells and the larger supplies in the Indus Basin—much of this increased use of fertilizer will be water-induced.

Industry fairly new

In the past, the part played by chemical fertilizers in improving Pakistan's agricultural productivity has been beset with problems, and some of these still await effective solution. When Pakistan emerged as an independent nation in 1947, there was not a fertilizer plant in the country. Some small amounts were imported for use on the tea estates in East Pakistan, but otherwise not much was used, nor was there any sort of fertilizer distribution system. Even today, the lack of a really effective distribution system handicaps rapid growth in fertilizer utilization.

Pakistan began producing chemical fertilizers in 1957, when a factory in Lyallpur, West Pakistan, started manufacturing superphosphates. In 1958 another plant in Daudkhel went into operation, producing ammonium sulfate. Later two natural gas fertilizer plants started up, one in East Pakistan and the other in West Pakistan, both turning out urea and ammonium nitrate.

These four plants were established under the Pakistan Industrial Development Corporation, a quasi-governmental body. With them, Pakistan has a production capacity of

about 500,000 tons of nitrogenous fertilizers (in terms of ammonium sulfates) and 7,000 tons of phosphoric fertilizers (in terms of triple phosphates). Currently, mixed fertilizers are neither manufactured nor used; nor are potassium fertilizers manufactured, though very limited quantities are imported occasionally.

Chemical fertilizer imports, which began in 1952 with 5,000 tons, had increased to nearly 1 million tons by 1959, but then declined as domestic production started. Supplies to farmers, however, have not kept pace with availabilities, although some improvement has taken place. In 1959-60 slightly over 110,000 tons of fertilizers were purchased by farms. By 1963-64 some 400,000 tons were distributed.

In a recent reorganization of the distribution system, the Industrial Development Corporation took over the distribution of fertilizers from its plants, while the Agricultural Development Corporation continues to distribute imported supplies. Farmers purchase them at about 50 percent of actual cost.

New factories planned

Even though it is felt by Pakistan's agricultural planners that a breakthrough in fertilizer use has now occurred, the country's utilization per acre is still very low. Also, domestic production capacity and imports are now expected to fall short of future needs. (A production goal of 2.5 million tons of phosphate fertilizers has been set for 1969-70.) Therefore, four new fertilizer factories have been planned, two in each part of the country, which will increase domestic output by approximately 2 million tons.

Industrial firms have been invited to participate in these ventures, and the Pakistan Government already has signed an agreement with one company for the construction of a urea-manufacturing plant. To be completed in 1967, it will have an annual capacity of 175,000 tons, and will utilize natural gas from the recently discovered Mari field. It will also set up its own distribution system, with some 300 agents throughout West Pakistan.

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